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## Expand Medicaid Eligibility

### Senate Bill 13-200

Robert Semro, policy analyst

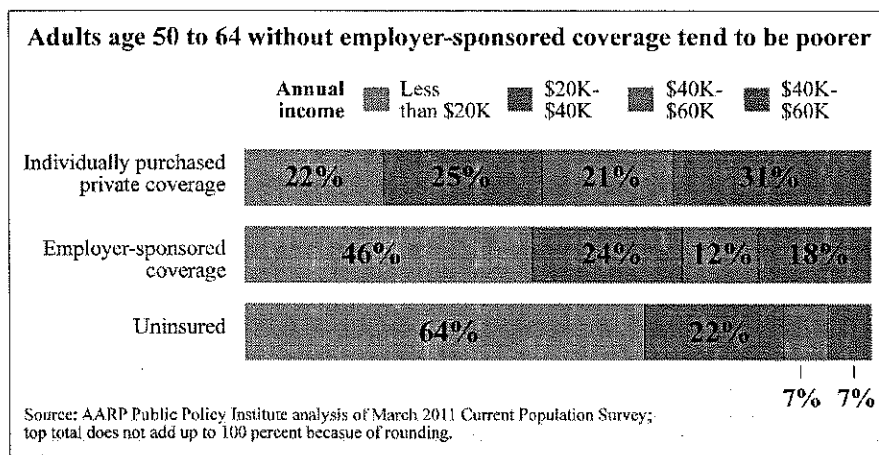
Testimony to the House Public Health Care & Human Services Committee

April 23, 2013

My name is Robert Semro, and I am a policy analyst with the Bell Policy Center. The Bell is a non-partisan, non-profit research and advocacy organization founded on progressive values and dedicated to expanding opportunity for all Coloradans.

The Bell Policy Center supports Senate Bill 13-200. As of 2011, 138,619 Coloradans between the ages of 50 and 64 were uninsured. That represents approximately 13 percent of that age group.<sup>1</sup> Nationally, in 2010, 33 percent of this uninsured population was Hispanic and 20 percent was African-American.<sup>2</sup> The expansion of Medicaid eligibility under the Affordable Care Act may represent the only practical opportunity for this uninsured population to gain coverage and therefore access to regular health care. The expansion of Medicaid eligibility provided in Senate Bill 200, which could include as many as 46,126 uninsured Coloradans aged 50 to 64, will without question help to mitigate the financial burden and health risks faced by this population.<sup>3</sup>

Nationally, 64 percent of Americans who do not have employer-sponsored health insurance coverage between the ages of 50 and 64 earn less than \$20,000 per year.



As a result, private insurance coverage is not a real option. In 2009, the average annual premium costs for people aged 50 to 64 who purchased individual coverage through the private insurance market ranged between \$4,127 and \$5,755. For a person with an annual income of less than

<sup>1</sup> AARP Public Policy Institute, Colorado: *Quick Health Facts 2012*

<sup>2</sup> Smolka, Mutlack, Figueiredo, AARP Public Policy Institute, *Health Insurance Coverage for 50- to 64-Year-Olds*, February 2012

<sup>3</sup> AARP Public Policy Institute, Colorado: *Quick Health Facts 2012*

\$15,282 (which is 133% of the federal poverty level in 2013; the threshold for Medicaid eligibility), premium costs alone, without other out-of-pocket costs like co-pays and deductibles, would represent between 27 and 37 percent of his or her total gross income.<sup>4</sup>

Average annual premiums for private health insurance in the individual market (2009)		
	Individual coverage	Family coverage
<b>50-54</b>	\$4,127	\$7,331
<b>55-59</b>	\$4,895	\$8,414
<b>60-65</b>	\$5,755	\$9,252
<b>65 and over</b>	\$2,985	\$6,228

Source: AHIP, *Individual Health Insurance, 2009: A Comprehensive Survey of Premiums, Availability and Benefits* (October 2009)

When you include premiums, co-pays and deductibles, total out-of-pocket costs could be as high as \$8,834 per year, or almost 58 percent of that annual gross income. Without expanded Medicaid eligibility, these people would almost certainly remain uninsured.<sup>5</sup>

Out-of-pocket burdens among adults 50 to 64 vary by type of insurance coverage (2007)			
Type of insurance	Adults with high total family burden*	Health spending for premiums, services	Spending on premiums
<b>All</b>	30%	\$3,869	\$2,143
<b>Private employer</b>	28%	\$4,232	\$2,420
<b>Individual market</b>	78%	\$8,834	\$6,428
<b>Public</b>	36%	\$1,430	\$434
<b>Uninsured</b>	22%	\$1,752	\$233

\*High burden is defined as spending 10 percent or more of after-tax family income on health insurance premiums and health care services.

Source: D. Bernard, analysis of Medical Expenditure Panel surveys, unpublished data, Agency for Healthcare Quality Research, 2011

Finally, this is also a population that needs health insurance coverage. As of 2009, 17 percent of the 50+ population in Colorado was in poor to fair health, 41 percent had high blood pressure, almost 61 percent was obese, 11 percent had diabetes, almost 13 percent was smokers and almost 10 percent had poor mental health.<sup>6</sup>

Without Medicaid coverage, these people would likely be reliant upon emergency-room care, and the cost of that uncompensated care will be passed on to consumers and businesses in the form of higher premiums.

Thank you for the opportunity to share our thoughts with you. We urge you to support Senate Bill 200; we thank Speaker Ferrandino for bringing it to you today. If you have any questions, or if I can provide further information, please call me at 303-297-0456, ext. 225 or email me at [semro@bellpolicy.org](mailto:semro@bellpolicy.org).

<sup>4</sup> Smolka, Mutlack, Figueiredo, AARP Public Policy Institute, *Health Insurance Coverage for 50- to 64-Year-Olds*, February 2012

<sup>5</sup> Smolka, Mutlack, Figueiredo, AARP Public Policy Institute, *Health Insurance Coverage for 50- to 64-Year-Olds*, February 2012

<sup>6</sup> AARP Public Policy Institute, *Colorado: Quick Health Facts 2012*